

**Advisory Committee
Meeting
January 5, 2011, 7:30 p.m.
Great Hall, Town Hall**

Jack Haley called the meeting to order at 7:30 p.m. Those present included Rick Hill, Steve Simons, Caren Parker, Virginia Ferko, Catherine Johnson, Jason Whittet, Maura Murphy, Laura Hockett, Philip Licari, Richard Page, Polly Smith, Derek Redgate, David Murphy, and Barbara McMahon.

Citizen Speak. No one present spoke.

Minutes. Upon a motion made by Ms. Parker and seconded by Mr. Murphy, members voted to approve the minutes of December 15, 2010. The vote was 13-0, with one abstention.

Guideline Letter. A Guideline Letter sent to the School Committee on December 27, 2010 reiterated Advisory's expectation that the FY12 School Budget would meet the budget guideline.

Town-Wide Financial Plan (TWFP) Update. Guest Executive Director of Government Hans Larsen updated Advisory on the latest draft of the TWFP, which will address budgeting as a year-round process, identify issues early, employ a long-term horizon, and seek a buy-in from all boards. Mr. Larsen stated that the Town now faces a projected \$4M deficit in FY12, as well as an anticipated decline in School turn-back that will limit the growth of free cash in future years. The impact of an additional \$1M in spending, he noted, is \$0.11 on the tax rate. He also spoke to retirement liabilities, including the timeline for the funding strategy to address the \$114M OPEB liability. One of the positive developments mentioned was debt service for the High School Building project, for which the Town secured lower interest rates and amortized the debt faster than anticipated. Without enrollment increases, the Plan calls for holding Schools (outside of ST&T) to the same target as other Town Departments. Three major upcoming projects not yet included in the TWFP are: the Senior Center, the Fuller Brook Park, and the Elementary School Master Plan. Emphasis will be placed on the new TWFP at the January 13th inter-board meeting and the Annual Town Meeting (ATM). There will be a warrant article on the new TWFP, and Mr. Larsen said that he looks to Advisory to comment on the warrant article in writing.

NRC/Morses Pond Operating Budgets. Guests NRC Chair Neal Seaborn, Vice Chair Heidi Gross, and Director Janet Bowser presented the proposed NRC FY12 Operating Budget of \$209,681, which shows an increase of \$13,669, or 6.97%, due to the NRC's request to increase the environmental coordinator position from 10 to 19 hours. The \$160,370 FY12 Budget Request for Morses Pond includes \$52,020 for the Program Manager.

MLP Operating Budget. Guests MLP Business Manager Debra Healy, Director Dick Joyce, Chairman Bill Charlton, and Board Member Dave Donahue presented the Municipal Light Plant (MLP) FY12 Operating Budget of \$29.8 M, down nearly \$800,000 from FY11. They attributed much of the decrease to lower natural gas prices and stated that the MLP continues to deliver electric rates that are lower than those in surrounding communities. The MLP entered into a series of layered contracts through 2015 to hedge natural gas and crude oil price increases and plan to fund capital infrastructure improvements without issuing debt. Transmission costs, however, continue to rise –these costs fall under a regulated market (through ISO-New England) dominated by investor-owned utilities

Mr. Charlton described a number of cost containment initiatives, including a recently negotiated union contract that eliminated all “past practice” overtime. The MLP FY12 budget earmarks \$128,000 toward pension funding to address its OPEB liability. The MLP will increase the FY12 customer service budget by \$135,000 in support of the Town’s energy reduction plan, and about 6% of Wellesley households have joined the MLP renewable energy program. Power usage, however, is up 1% this year, which Mr. Charlton attributes to probable lifestyle choices. In response to a question from Advisory, Mr. Charlton said that the MLP is not moving ahead at this time with the MLP Building Project.

Break. Advisory adjourned for a break at 9:35 p.m. and Mr. Haley reconvened the meeting at 9:40 p.m.

Liaison Reports. In response to questions from Advisory, the Recreation Commission reported that the Warren Building is underutilized and attributed this to insufficient parking. St. James will probably not be a warrant article at the upcoming ATM. The School Committee is developing a list of program and other cuts to address a \$2.1M budget gap and to meet the budget guideline. The possibility of redistricting, altering teacher utilization, and the need for more clarity in the school budget were discussed.

Adjournment. A motion to adjourn the meeting was made by Ms. McMahon and seconded by Mr. Murphy. The Committee then voted 14-0 to adjourn the meeting

The meeting adjourned at 10:30 p.m.

Respectfully submitted,

Eileen Davis
Administrative Assistant

Documents Distributed: DPW FY2012 Water and Sewer Enterprise Fund Budgets; DPW FY2012 Capital Budget; DPW FY2012 Operating Budget; Assessors FY2012 Operating Budget Request; Board of Selectmen Approved FY2012 Operating Budget; Board of Library Trustees FY2012 Operating Budget; NRC Operating Budget; Morses Pond Operating Budget; MLP Operating 2012 Budget; Recreation FY2012 Operating Budget Request; Permanent Building Committee Operating FY12 Budget Request; Planning FY12 Operating Budget; Memo: from Paul Criswell, Board of Public Works Chairman entitled “Proposed DPW Operations Building.”